



# Community Choice Energy in Silicon Valley

Los Altos Environmental Commission

July 13, 2015 | 7:00 pm

Hillview Community Center



**SILICON VALLEY**  
CCE PARTNERSHIP



CUPERTINO

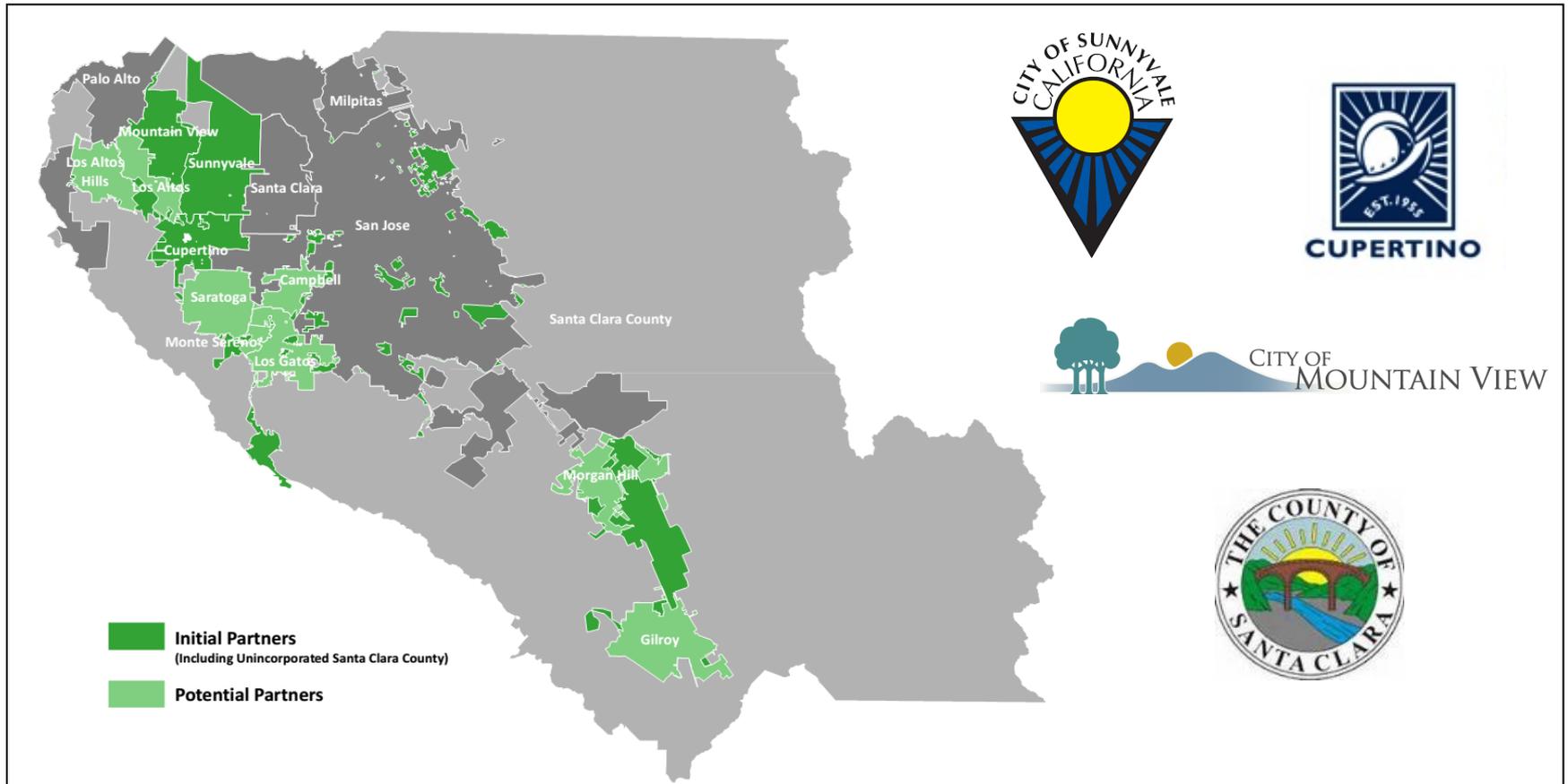


CITY OF MOUNTAIN VIEW



# SILICON VALLEY CCE PARTNERSHIP

# Partnerships





- **Consultant team in place**



Program Development

Technical Services

Community Engagement

- **Initial study completed**
- **Website launched – [www.SVCleanEnergy.org](http://www.SVCleanEnergy.org)**
- **Electricity data requested from PG&E**
  - Additional data request participants: *Los Altos, Los Altos Hills, Campbell, Los Gatos, Saratoga, Monte Sereno, Morgan Hill, Gilroy*

The Silicon Valley Community Choice Energy (SVCCE) Partnership is exploring how to provide residents and businesses a new choice to the traditional utility model: a community-controlled power supplier that offers electricity from a higher percentage of renewable energy sources at competitive rates. The timing is right and momentum is building!



### What is Community Choice Energy?

A new electricity provider would be entirely run by participating Silicon Valley communities.

[Learn More »](#)



### CCE Benefits for Silicon Valley

A local CCE could provide more renewable power, develop local, renewable energy projects, and reduce greenhouse gas emissions while maintaining competitive rates.

[Learn More »](#)



### The Path Ahead

SVCCE Partnership is conducting an initial study and other cities are considering joining.

[Learn More »](#)

# Silicon Valley Community Choice Energy Partnership

Results of CCE Assessment Report

**-May 2015-**



# Key Report Findings



- Good Potential to Meet CAP Goals
- Anticipated Rate Savings in the Near Term
- Existing CCE Programs are Performing Well
- Timing is good - Current energy market is strong
- Risks Exist But Can Be Mitigated





# Good Potential to Meet CAP Goals



## Active Programs



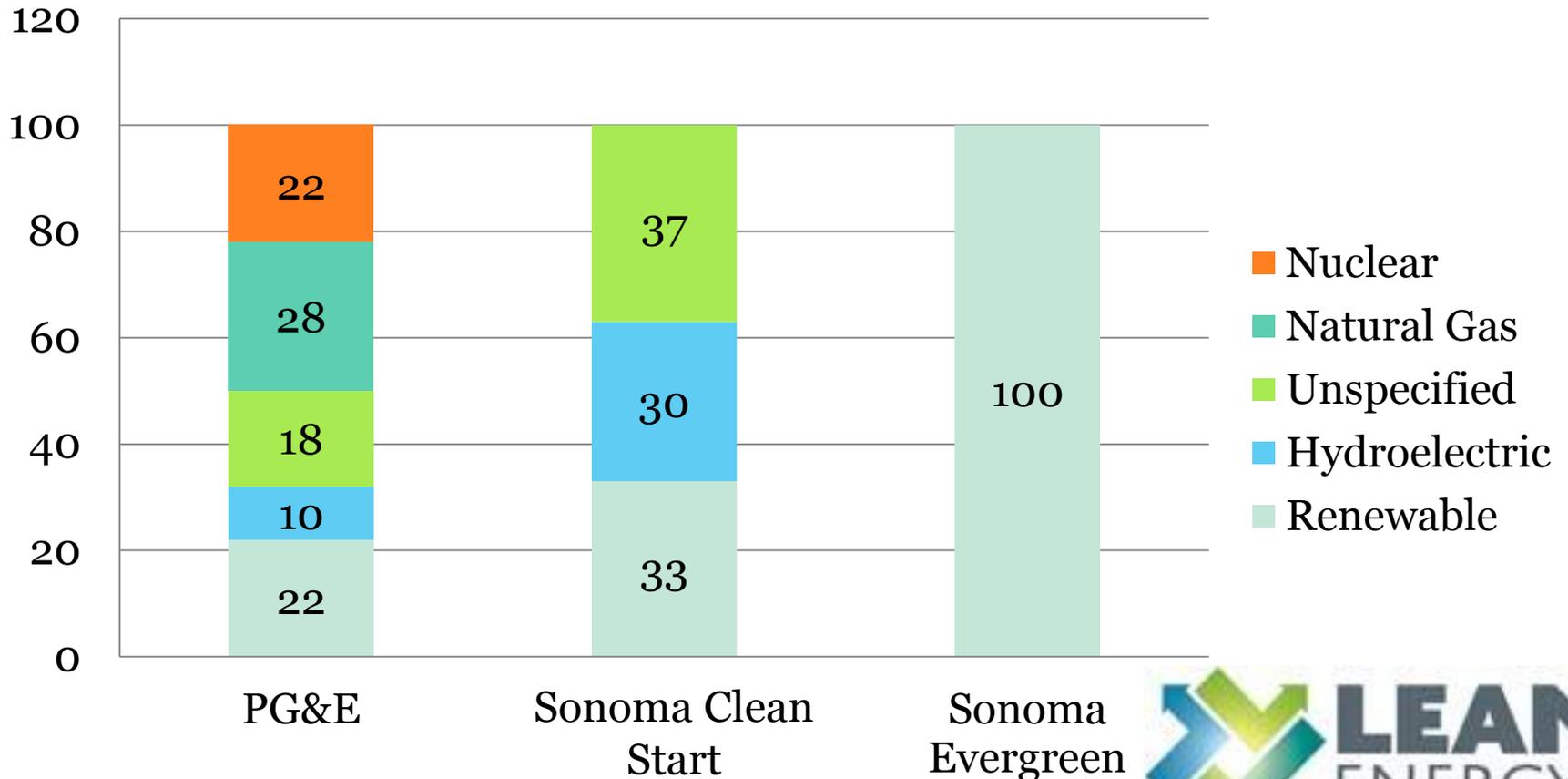
- Service since 2010
- JPA formed by Marin County
- Some cities outside county



- Service since 2014
- JPA by Sonoma County and Sonoma County Water District

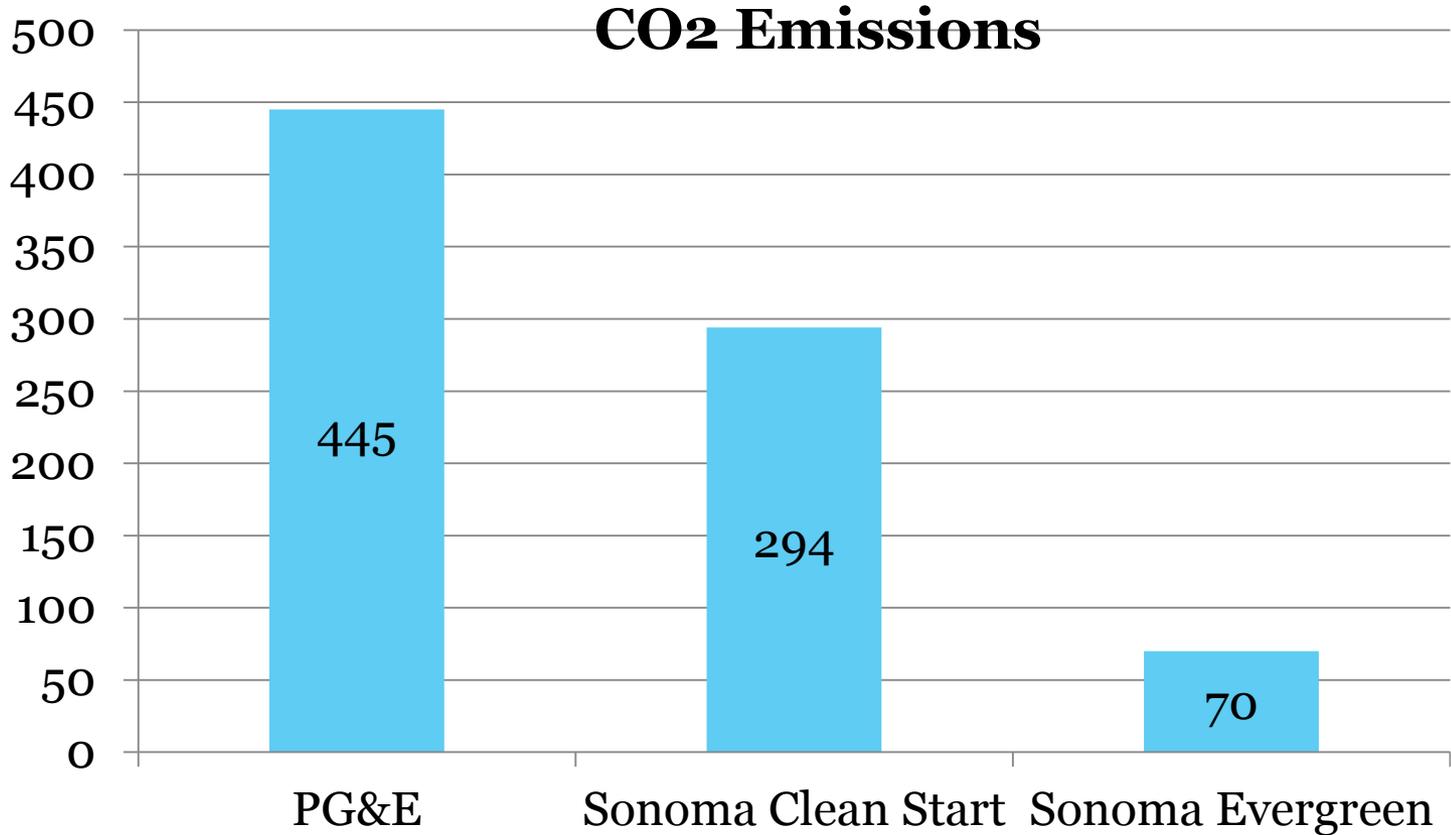


## Electricity Generation (% by Source)





# Good Potential to Meet CAP Goals





# Good Potential to Meet CAP Goals



- **Energy Efficiency:** Multiple ways for CCEs to fund programs; eg: MCE obtained \$5.5M by becoming an EE program administrator
- **Battery Storage:** MCE announces partnership with Tesla for home energy storage
- **Local Power Projects:**
  - MCE building 10.5 MW PV on Chevron brownfield site
  - SCP building a 12.5 MW “Floatovoltaics” PV project on wastewater ponds at County Water Agency.



FLOATING SOLAR ARRAY (FEDERO CUBIA)



# Competitive Rates

## Rate Comparison

Marin Clean Energy  
2015 Residential  
E-1/Res-1 Rates, 508 kWh



	PG&E 22%	MCE Light Green 50%	MCE Deep Green 100%
Delivery	\$44.37	\$44.37	\$44.37
Generation	\$49.50	\$40.13	\$45.21
PG&E Fees	-	\$6.27	\$6.27
<b>Total Cost</b>	<b>\$93.87</b>	<b>\$90.77</b>	<b>\$95.85</b>



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# Competitive Rates

## Rate Comparison

### Sonoma Clean Power

### 2015 Commercial

### Com-1/A-1, 1500 kWh



	PG&E*	CleanStart	EverGreen
	28% <sup>†</sup> Renewable Energy	33% Renewable Energy	100% Renewable Energy
Electric Generation (all customers)	\$153.42	\$114.24	\$166.74
PG&E Electric Delivery* (all customers)	\$165.75	\$165.75	\$165.75
Additional PG&E Fees (SCP customers only)	\$0.00	\$16.50	\$16.50
Average Total Cost	\$319.17	\$296.49	\$348.99



# Existing CCE Programs are Performing Well



## Current CCE Financial Conditions – Both programs:

- Provide greener energy at competitive rates
- Provide enhanced energy programs
- Are fiscally sound

	MCE (Draft FY15-16)	SCP (Draft FY15-16)
Total Revenue	\$145,933,000	\$165,495,000
Expenses	\$141,433,000	\$148,588,000
Cost of Energy	\$129,522,000	\$130,100,000
Cost of Administration	4%	3.5%
Net Increase in Reserves	\$4,500,000	\$16,907,000



## Market Conditions/Utility Rate Trends

- Wholesale power and natural gas prices are at historic lows.
- Utilities are fully contracted through 2020 and thus excess power is available.
- Affordable financing available due to low interest rates.





# Risks Exist But Can Be Mitigated



- **Financial Risk**
- **Competitive and Pricing Risk/  
Opt-Out Rates**
- **Market Exposure**
- **Regulatory Risk**
- **Political Risk**

*Assessment report analyzes these risks and outlines potential risk mitigation measures*





## Report Recommendations

- Move forward with Technical Study.
  - The analysis of load data and program potential.
- Consider SVCCEP's large commercial/industrial load
  - Presents both opportunities and challenges not found at MCE and SCP.
- Engage other Santa Clara cities to participate.
  - Articulate CCE goals and objectives.
  - Start stakeholder/community engagement now.
  - Form JPA sooner rather than later.





# Moving Forward

## Complete

### Phase 1a: Initial Study

- ID potential agency partners
- ID opportunities, costs, and risks
- Investigate other CCEs
- Inform community and gather feedback
- Framework for next steps

**\$ 80 K**

### Phase 1b: Technical Feasibility Study

- ID partners & funding
- Technical Study: load and rate analysis, economics, supply options, environmental outcomes
- Community outreach & input

**\$ 450 K**

### Phase 2: CCE Program Dev't

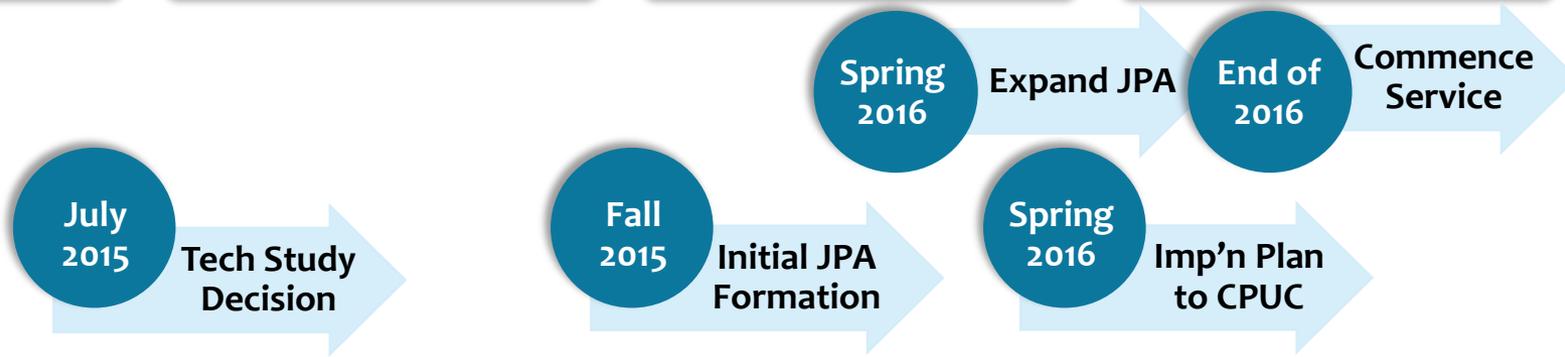
- JPA Formation
- Expand Outreach
- Energy Svcs Pricing and Procurement
- Enabling Ordinance
- Implementation Plan to PUC
- Agmt with PG&E
- Bridge financing to revenue

**\$ 750 K**

### Phase 3: CCE Launch

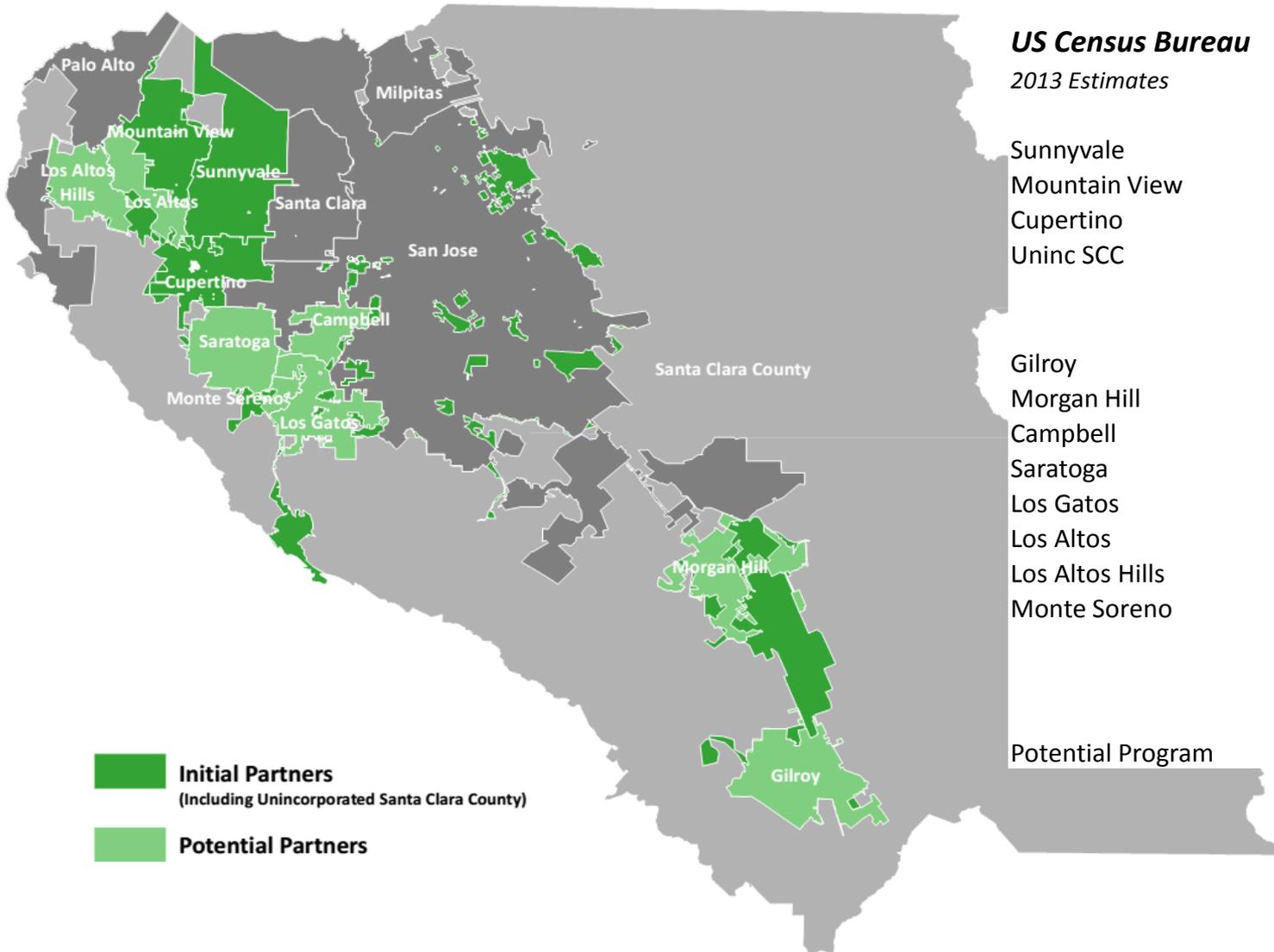
- Staffing and Org setup
- Energy and other Service Contracts
- Customer notifications and service
- Conservation & Renewables programming

**\$ 400 K + Bridge \$**





# Moving Forward: Partners & Potential Partners



**US Census Bureau**

2013 Estimates

Sunnyvale	147,559
Mountain View	77,846
Cupertino	60,189
Uninc SCC	84,477
	<b><u>370,071</u></b>

Gilroy	51,701
Morgan Hill	40,836
Campbell	40,584
Saratoga	30,907
Los Gatos	30,391
Los Altos	30,010
Los Altos Hills	8,334
Monte Soreno	4,000
	<b><u>236,763</u></b>

64% increase

Potential Program	<b><u>606,834</u></b>
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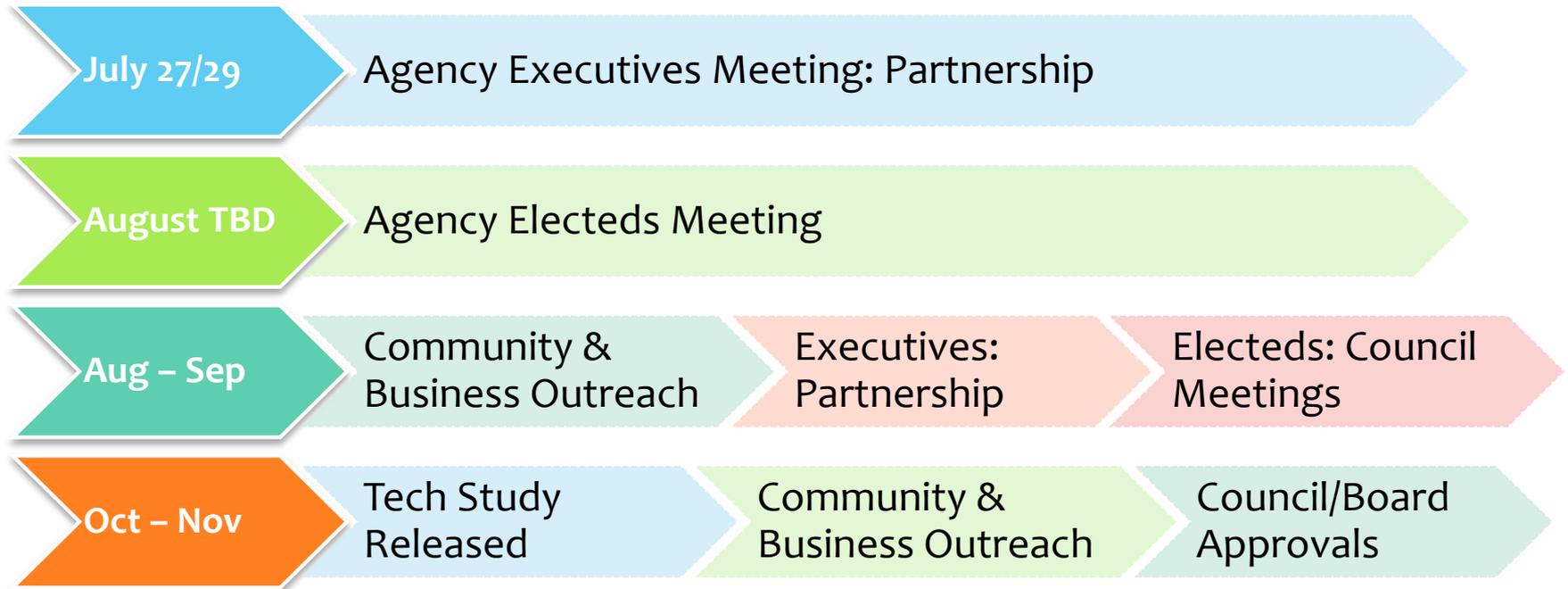


# Potential Partners



- **Participation in Tech Study Phase – funded by Initial Partners.**
- **Outreach meetings to be held in South and West SCC**
- **Governance and Program discussion meetings open to Potential Partners.**
- **Next Phase will address “buy in” of new partners.**







# Thank you!

Melody Tovar  
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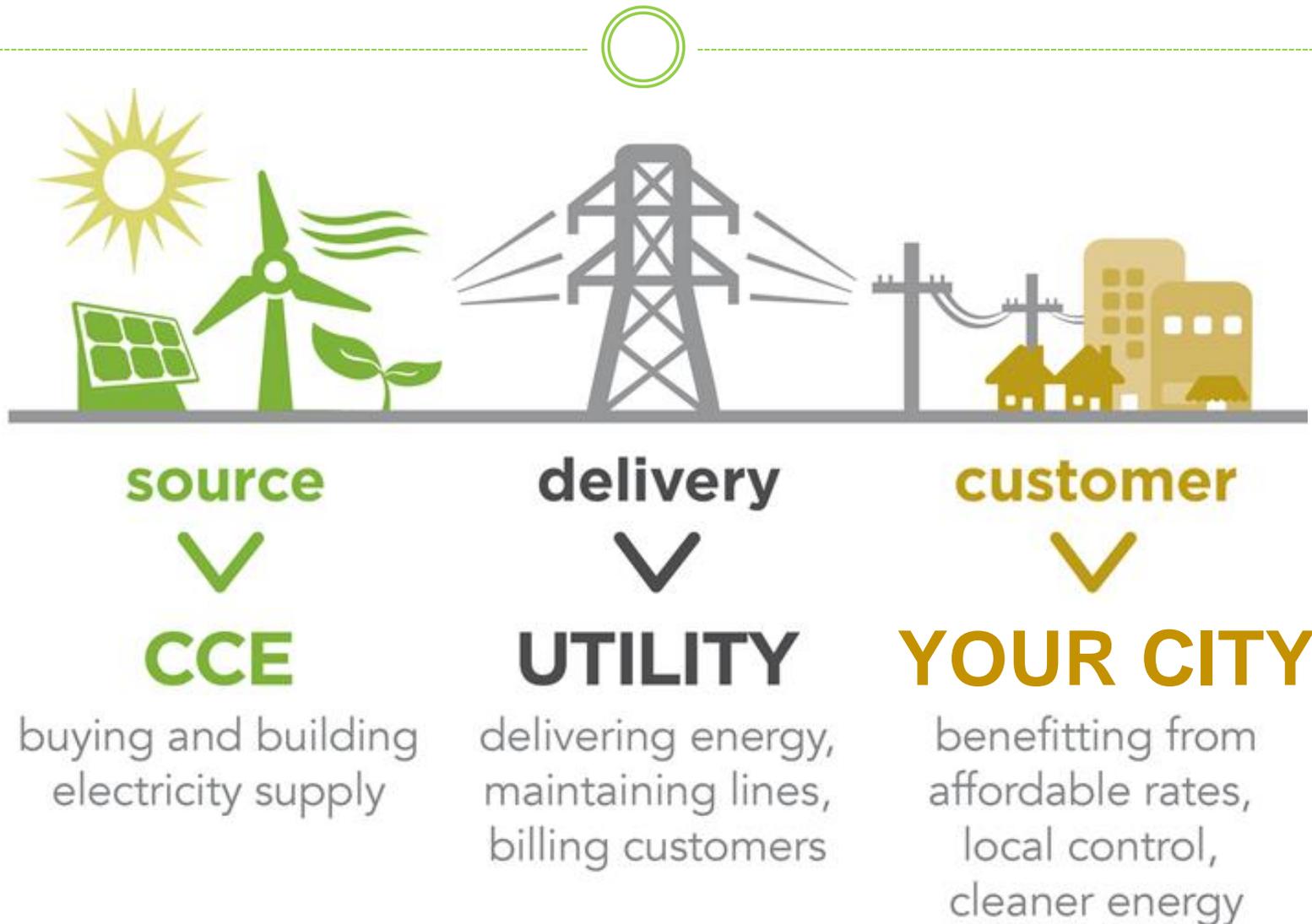


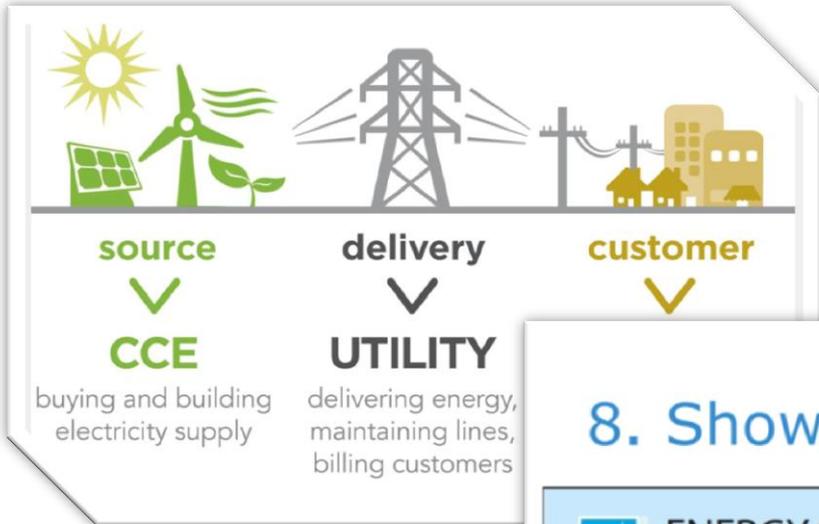
# CCE Program Guiding Principles

- Offers Renewable Energy Options (eg, 33%, 50%, 100% renewable)
- Provides lower GHG than PG&E to support CAP goals
- Provides competitive, potentially lower, rates
- Emphasizes local renewable sources
- Minimizes use of unbundled RECs
- Offers energy efficiency programs
- Promotes demand management/response programs
- Supports the region's economic development goals
- Supports community sustainability and resilience, particularly for at risk communities
- Well-managed, financially sustainable Agency
- Fosters collaboration and innovation across public agencies, residents, and businesses



# What is it?





## SCP Generation Charge

### 8. Show the Bill



**ENERGY STATEMENT**  
www.pge.com/MyEnergy

Account No: 1023456789-0  
Statement Date: 07/17/2014  
**Due Date: 08/07/2014**

**Service For:**  
Brenda Alvarez  
1234 Main Street  
Apt. 3C  
Santa Rosa, CA 95404

**Your Account Summary**

Amount Due on Previous Statement	\$404.99
Payment(s) Received Since Last Statement	-404.99
Previous Unpaid Balance	\$0.00
Current PG&E Electric Delivery Charges	\$83.15
Sonoma Clean Power (SCP) Electric Generation Charges	42.97
Current Gas Charges	34.91

**Total Amount Due by 08/07/2014** **\$161.03**

**Questions about your bill?**

24 hours per day, 7 days per week  
Phone: 1-866-743-0335 or  
www.pge.com/MyEnergy



## CCA is Poised for Growth in CA

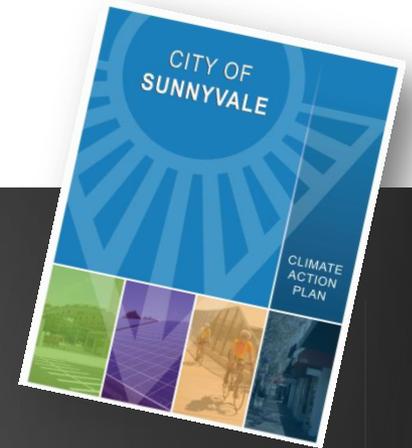


### ● Operational CCAs

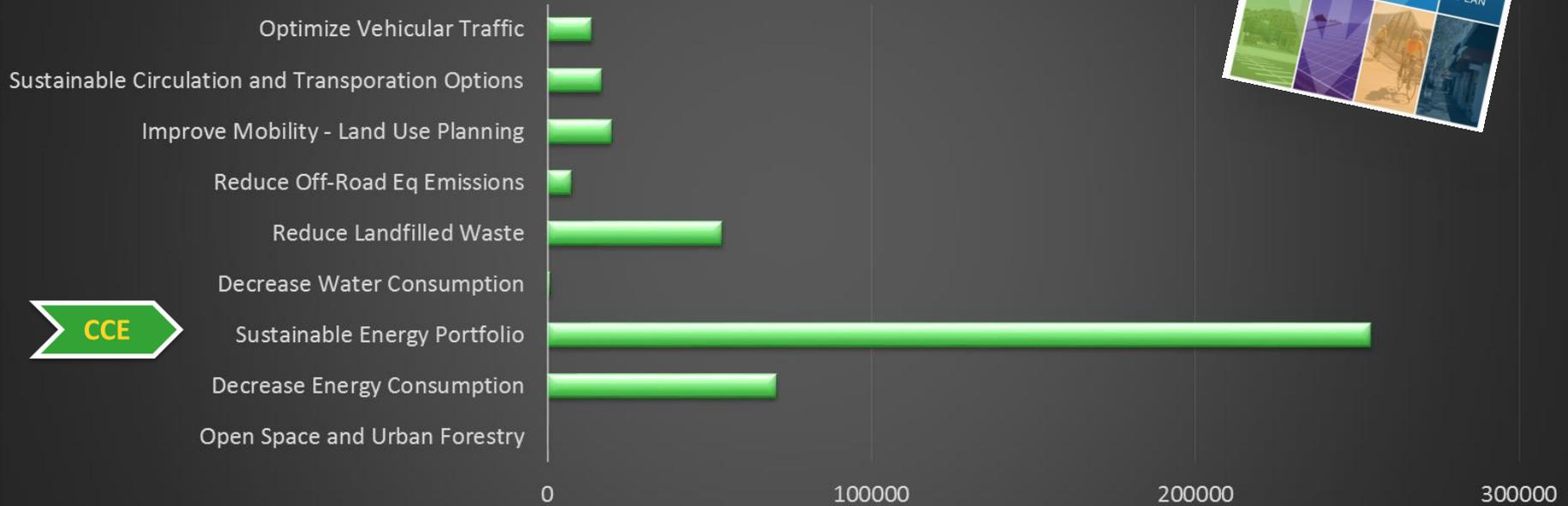
- MCE Clean Energy
- Lancaster Choice Energy
- Sonoma Clean Power

### ● Exploring / in Process

- Alameda County
- Butte County
- City of Arcata/Humboldt County
- City of Davis/Yolo County
- City of San Diego
- City/County of San Francisco
- City of Sunnyvale/Silicon Valley Partnership
- Contra Costa County
- LA County/South Bay Consortium
- Lake County
- Mendocino County
- Monterey Bay Community Power (Tri-County)
- Napa County Cities
- San Bernardino County
- San Diego County
- San Luis Obispo/Morro Bay
- San Mateo County
- Santa Barbara County
- Solano County
- Ventura County



## 2020 GHG Reductions (MTCO<sub>2</sub>e/yr)





# How to Move Forward



	Activities	Timeframe
Phase 1a INITIAL STUDY  \$80K	<ul style="list-style-type: none"><li>▪ Identify potential partners</li><li>▪ Identify opportunities</li><li>▪ Identify costs and risks</li><li>▪ Investigate other CCEs</li><li>▪ Initiate community outreach</li><li>▪ Gather feedback</li><li>▪ Develop framework for next steps</li></ul>	Completed June 2015
Phase 1b FEASIBILITY STUDY  \$450K	<ul style="list-style-type: none"><li>▪ Establish partners and funding</li><li>▪ Complete Technical Study<ul style="list-style-type: none"><li>▪ Load and rate analysis</li><li>▪ Supply options</li><li>▪ Environmental outcomes</li></ul></li><li>▪ Expand outreach</li></ul>	July - November 2015 Pending Council action



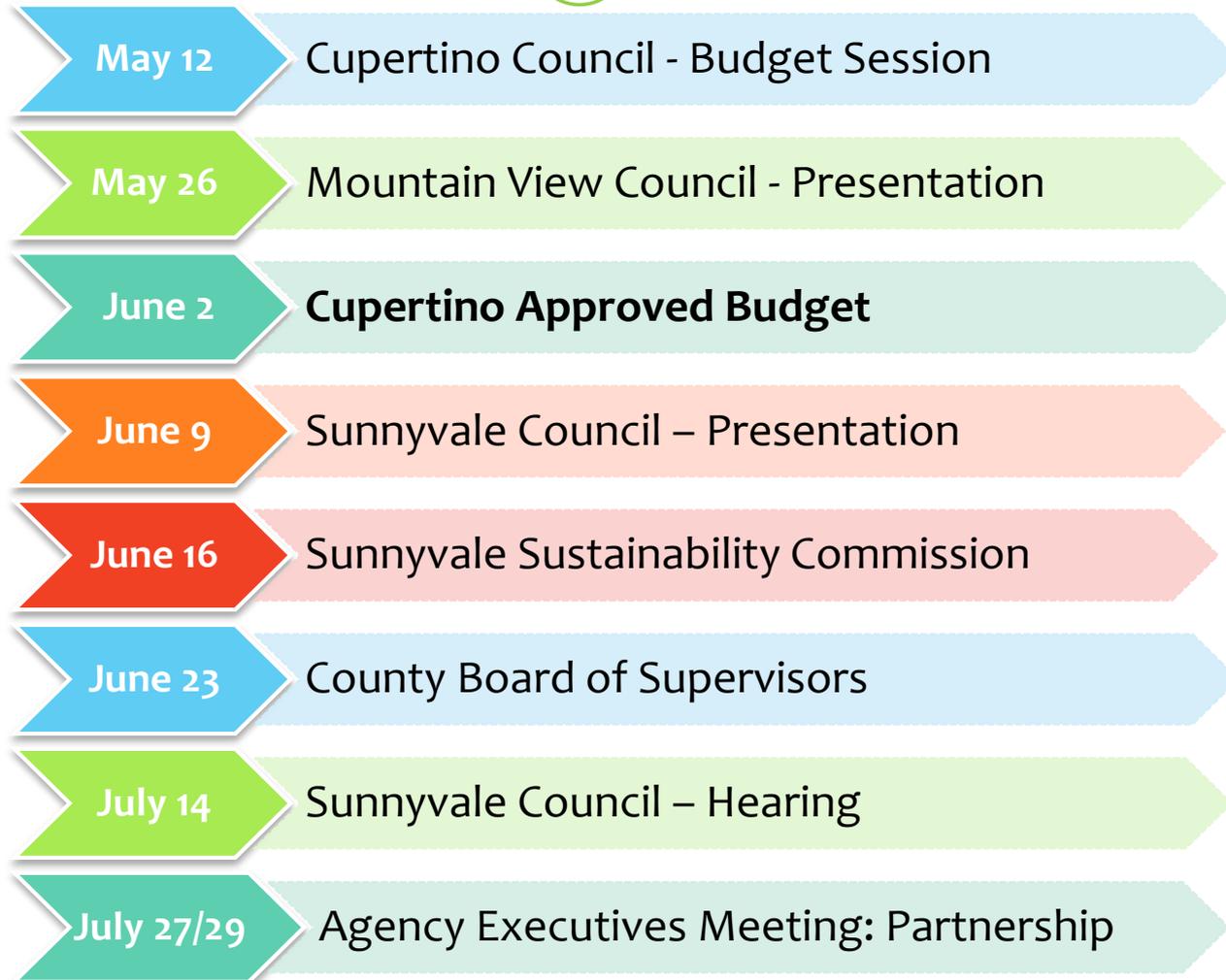
# How to Move Forward



	Activities	Timeframe
Phase 2 PROGRAM DEVELOPMENT  \$750K	<ul style="list-style-type: none"><li>▪ Form JPA</li><li>▪ Conduct full-scale outreach</li><li>▪ Procure energy services</li><li>▪ Establish pricing</li><li>▪ Enact enabling ordinances</li><li>▪ Submit Implementation Plan to PG&amp;E</li><li>▪ Secure Agreement with PG&amp;E</li><li>▪ Secure bridge financing</li></ul>	November 2015 – Spring 2016 Pending Council action
Phase 3 CCE LAUNCH  \$400K plus Bridge Financing	<ul style="list-style-type: none"><li>▪ Staff up</li><li>▪ Execute energy contracts</li><li>▪ Execute service contracts</li><li>▪ Notify customers</li><li>▪ Establish conservation programming</li><li>▪ Establish renewables programming</li></ul>	Spring – End of 2016 Pending Council action



# How to Move Forward





SEARCH

- ABOUT US
- ABOUT CCEs
- GET INVOLVED
- GET EMAIL UPDATES
- CONTACT US

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